

Agricultural Property Relief

There are a few different reliefs against Inheritance Tax. One of these is Agricultural Property Relief (APR). APR can allow you to pass on agricultural property free of inheritance tax either in your lifetime or as part of your will.

Relief is available on:

- Growing crops
- Stud Farms for breeding and rearing horses and grazing
- Trees that are planted and harvested at least every ten years
- Land not currently being farmed under the Habitat Scheme, or a crop rotation scheme
- The value of milk quota associated with the land
- Some agricultural shares and securities
- Farm buildings, farm cottages and farm houses.

Relief is **not** available on:

- Farm equipment and machinery
- Derelict buildings
- Harvested crops
- Livestock
- Property subject to a binding contract for sale.

The property must have been owned and occupied for agricultural purposes immediately before its transfer for:

- 2 years if occupied by the owner, a company controlled by them, or their spouse or civil partner
- 7 years if occupied by someone else

Agricultural Relief is due at 100% if the person who owned the land farmed it themselves, or the land was used by someone else on a short-term grazing licence, or if it was let on a tenancy that began on or after 1 September 1995. Relief is due at a lower rate of 50% in any other case. It is important to deduct any outstanding mortgages or other secured liabilities before calculating the APR. If an asset does qualify for APR, you cannot claim Business Relief on the asset too.